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ABSTRACT

The Higher Education Funding Council for England (HEFCE) presents its strategic plan for the years 2000 through 2005. Within the scope of the plan, three major areas of focus are promoting quality, encouraging increased participation in higher education, and fostering teaching, learning, and research in light of those activities' connection to England's overall well-being. Partnerships with relevant organizations and institutions are prioritized. To develop effective partnerships, HEFCE recommends promoting communication and collaboration between those with a stake in higher education. Included is a discussion of each strategic aim and an outline of outcomes, commitments, and key performance targets for each strategy. Overall, partnership, funding of quality research and teaching, and fostering diversity are significant goals for HEFCE. Appendix A presents financial and resource information. Appendix B includes a table with information about progress towards key performance targets as reflected in the 1999-2004 strategic plan. Appendix C is a glossary of relevant terms. (HB)

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ED 446 464

June 00/22

Report

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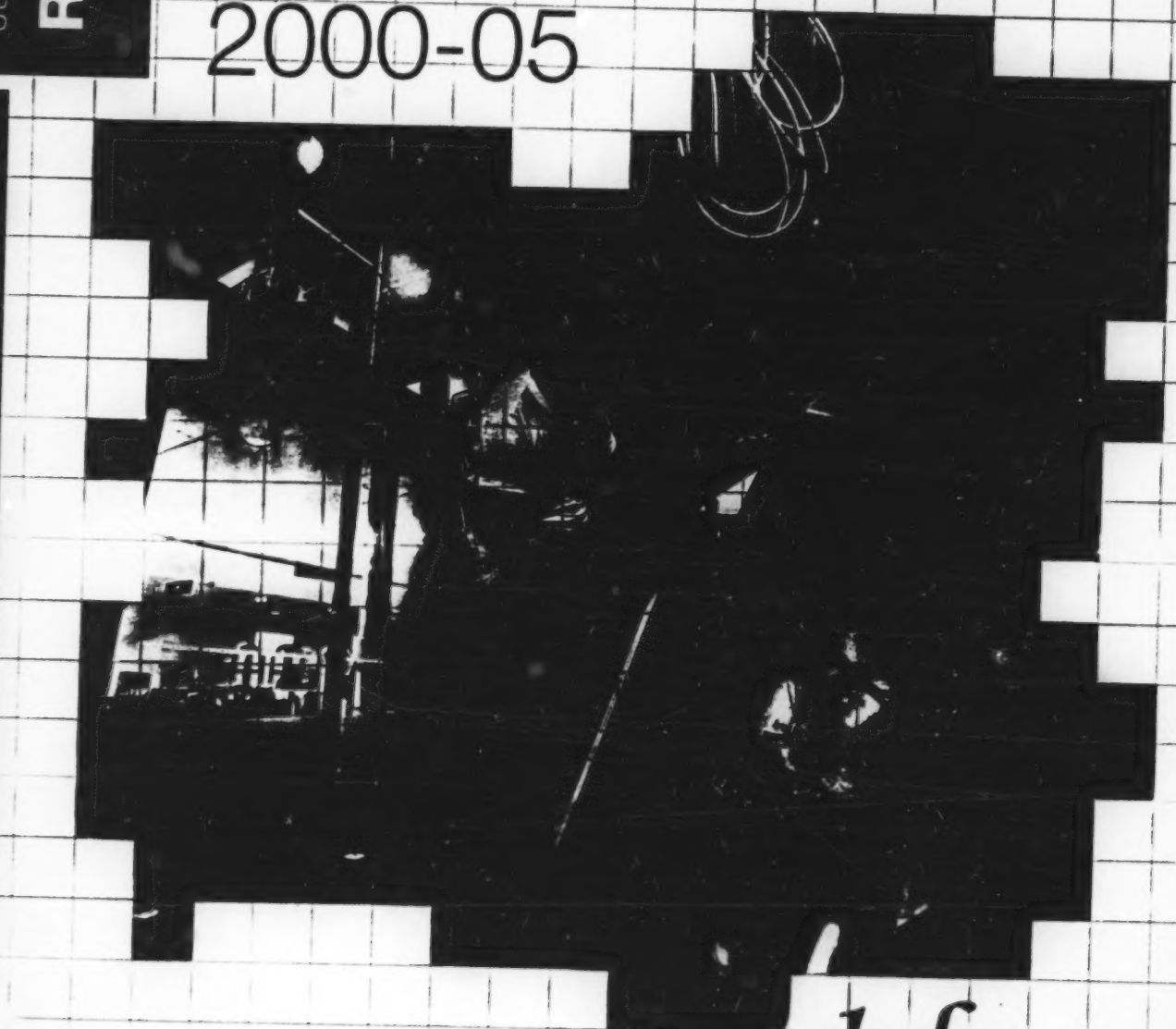
HEFCE strategic plan 2000-05



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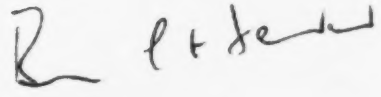
HEFCE strategic plan 2000-05

Foreword

The millennium will bring exciting challenges and opportunities for higher education. Three key themes are: promoting improvement in quality and standards; encouraging the widest possible participation in higher education at all ages; helping deliver the best possible teaching, learning and research with an eye not just to their intrinsic quality but also to the contribution that can be made to the country's overall prosperity and wellbeing. Partnership continues to be central to our effective operation, and we intend to develop further our relationships and knowledge-sharing with the sector and other stakeholders.

Our strategic plan for 2000-05 builds on our 1999-2004 strategic plan and is based on current government expenditure plans. We will revise the plan year on year to ensure that we always have a relevant, informed and responsive long-term strategy. We will fundamentally review our strategic plan every three years. Our explicit statement on outcomes will help us measure and evaluate what we do so that we can continually adapt our activities to respond to the needs of our stakeholders. This year we have included a table to show progress against the key performance targets that appeared in the 1999-2004 strategic plan.

This is a working document, which combines with our internal operating plans to form the corporate plan for managing our business. If you have any comments on the plan please write to me so that we can consider them in our ongoing strategic thinking.



Sir Brian Fender CMG
Chief Executive

HEFCE 00/22 1

Our mission

'Working in partnership, we promote and fund high-quality, cost-effective teaching and research, meeting the diverse needs of students, the economy and society.'

2 00/22 HEFCE

Strategic aims

to achieve our mission, we aim to:

Partnership

a. Develop and sustain effective partnerships with institutions, employers, other funding and professional bodies, and others with a stake in higher education, by providing clear and open information and promoting collaboration between them.

b. Advise Government and other stakeholders on higher education's needs and aspirations, and help make widely known the achievements and opportunities offered by higher education, particularly to students.

c. Promote and support productive interaction between HE and industry and commerce in order to encourage the transfer of knowledge and expertise and enhance the relevance of programmes of teaching and research to the needs of employers and the economy.

Funding high quality, cost effective teaching and research

d. Promote high standards of education so as to advance knowledge and scholarship, encourage improvement, enterprise and innovation, and enhance students' learning experiences and employment prospects.

e. Promote high standards of research so as to advance knowledge and scholarship and encourage improvement, enterprise and innovation.

f. Use consultation, research and benchmarking to increase knowledge and understanding of higher education, and inform policy development.

g. Promote effective financial management, accountability for the use of public funds, and value for money.

h. Contribute to the healthy development of higher education in this country and overseas by learning from international experience, and helping to promote the reputation of UK higher education abroad.

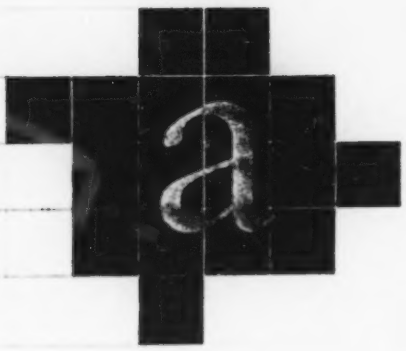
Diversity

i. Encourage institutions to increase access, secure equal opportunities, support lifelong learning, and maximise achievement for all who can benefit from higher education.

j. Maintain and encourage the development of a wide variety of institutions, with a diversity of missions that build upon their local, regional, national and international strengths and are responsive to change, within a financially healthy sector.

k. Enable our staff to provide a high quality service, within an open and supportive working environment.

Partnership



Strategic aim

Develop and sustain effective partnerships with institutions, employers, other funding and professional bodies, and others with a stake in higher education, by providing clear and open information and promoting collaboration between them.

We see working in partnership as essential to achieving our mission. Examples include: working with the National Health Service on increasing the number of medical students, working with the Office of Science and Technology (OST) in allocating extra money for research equipment, and working with the Further Education Funding Council on widening access. We will be increasing our efforts to foster links between higher education, business and the community. We will promote the value of work experience and importance of student employability.

As part of our commitment to working in partnership we are widening our contacts with stakeholders to include more national, regional and sub-regional agencies and organisations. We will encourage collaboration between institutions that will lead to enhanced student experience, wider opportunities and better value for money. We will use a variety of communication methods to promote dialogue and a greater understanding of the benefits of collaboration and our role within the sector.

Outcomes

- A clear understanding of what HEIs and other stakeholders can expect from us, and full involvement of HEIs and appropriate stakeholders in developing our policies and programmes.
- Collaboration between institutions where this demonstrates clear benefits.

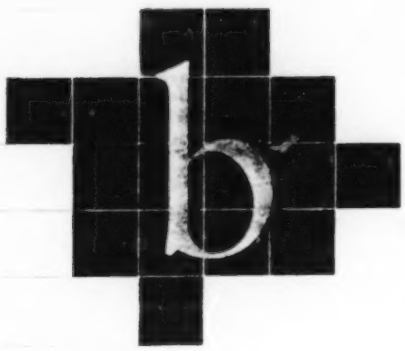
Commitments

- Annual conference and annual meeting.
- Publication of an annual report and other guides explaining the Council's policies and activities, and its work with HEIs and other partners.
- Consultation on all major initiatives and developments.
- A customer satisfaction survey every other year; the next survey will be in 2001-02.
- A responsive and effective complaints procedure.
- Allocate funds from the Restructuring and Collaboration Fund, according to clear and consistent criteria, to promote effective projects that give value for money.
- Publish in 2000 a second progress report to evaluate the effectiveness of projects supported through the Restructuring and Collaboration Fund, and further annual reports thereafter.
- Identify how clear and open information on quality and standards can be delivered through the new quality assurance framework.

Key performance targets

- Through the customer satisfaction surveys, to review and monitor our performance to ensure that we are increasingly working in partnership and providing an effective service. To achieve a ratio of overall satisfaction compared with dissatisfaction of at least 6:1, as measured by the customer satisfaction survey.

Partnership



Strategic aim

Advise Government and other stakeholders on higher education's needs and aspirations, and help make widely known the achievements and opportunities offered by higher education, particularly to students.

As a funding body, one of our major roles is to advise Government on the resource needs of higher education. This process is not confined to the periodic inputs to the Government's reviews of public expenditure.

We aim to be increasingly seen as the primary source of knowledge and expertise about higher education and what it provides to its stakeholders. As such, we aim to be a major contributor to the debate about the central role for higher education in the UK's economic development and the learning society.

Outcomes

- Increasingly we are recognised as an authoritative and independent source of knowledge and advice about higher education.
- Increased demand for higher education services over the planning period, through better knowledge and awareness of what is available.

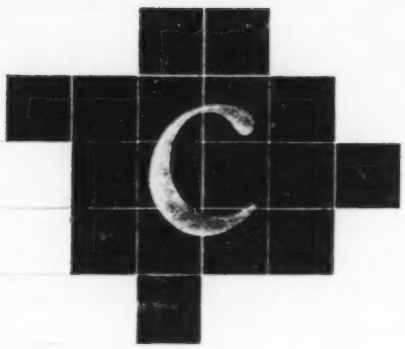
Commitments

- Submit advice to Government on HE funding needs according to public expenditure review cycles, and as required on specific issues.
- Regular analysis of the way users access our web-site to improve the site over time.
- With our partners, to develop an internet portal called HERO, to provide a single gateway to information about UK HE on the web, to be launched in October 2000.
- Monitor the number of hits on this UK HE web-site, and analyse the enquiries and search behaviours of visitors, to identify information gaps and further improve these services.
- Continue to develop the help-desk to respond to user needs and further the help-desk links with other call centres in HE.

Key performance target

- By 2001 information services for HE will be significantly improved through the launch and further development of HERO.

Partnership



Strategic aim

Promote and support productive interaction between HE and business and the community in order to encourage the transfer of knowledge and expertise, and enhance the relevance of programmes of teaching and research to the needs of employers and the economy.

A key role for institutions, alongside the provision of teaching and research, is the application of the knowledge, expertise and ideas which they generate, in ways which meet the needs of industry and commerce and contribute to the development of the economy both regionally and nationally. We believe that there is considerable scope for increasing the volume and impact of interaction between HE and industry. This will not happen unless institutions are fully committed and have effective individual plans, consonant with their mission, to bring it about.

A crucial first step in meeting these aims will be to forge closer, better informed and more productive partnerships between HEIs, business and the community (as employers and as consumers of expertise) and with other agencies, whether their remit is regional economic development or to provide services in the community, such as the National Health Service. We aim to promote and support the development of such partnerships. We will also work at the national level with relevant national bodies, including the Department of Trade and Industry (DTI) and the National Health Service.

HEIs have already done much to meet national needs for skilled manpower as providers of graduates and as a source of updating and retraining for those in employment. More could be done, both to equip graduates for their working life and to meet specific manpower and updating needs.

Over the planning period we will promote and support the transfer of expertise. We aim for all HEIs to recognise the full value of the knowledge and expertise of their staff and to do more to make it available. This will require commitment and sustained action right across each institution.

Outcomes

- All HEIs review and improve their capability to contribute to economic growth regionally and nationally.
- Improvement in the employability of graduates by equipping them with the skills they will need at work throughout their careers.
- All HEIs increase their non-public income through the application of teaching and research.

Commitments

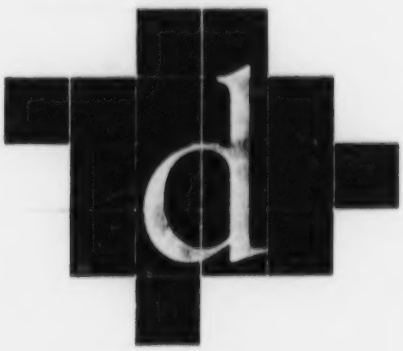
- Successful allocation of £83 million of special grant over five years from 1999-2000, including DTI contribution, to the Higher Education Reach-out to Business and the Community fund.
- The allocation of funds initially in 1999-2000 from the Teaching Quality Enhancement Fund (TQEF) to support the implementation of institutional learning and teaching strategies that include proposals to enhance the employability of graduates.
- Establish during 2000 a quantitative baseline and criteria for measuring increases in the range and volume of interactions between HE and business.
- Strengthen the employability criteria for allocation of additional student places for 2001-02.

Key performance targets

- At least 85 per cent of HEIs have a strategy for building their capability to develop links with industry, and begin implementation of their action plans to deliver this in 2000-01.
- All institutions to be implementing their plans for enhancing the employability of their graduates, as included in their learning and teaching strategies, in 2000-01.
- Use existing data sources to produce performance indicators for measuring student employability outcomes, to be published in 2000.

HEFCE 00/22

Funding high quality, cost effective teaching and research



Strategic aim

Promote high standards of education so as to advance knowledge and scholarship, encourage improvement, enterprise and innovation, and enhance students' learning experiences and employment prospects.

We allocate around three-quarters of our grant for learning and teaching. Since we were established we have always sought to promote the profile of learning and teaching in HE.

Over the planning period we will place emphasis on:

- the introduction and implementation of the TQEF
- the development of subject centres and dissemination of good practice and innovation
- an increase in joint initiatives with other agencies, such as the Institute for Learning and Teaching (ILT), other HE funding bodies, the Joint Information Systems Committee (JISC), and the Department for Education and Employment (DfEE)
- support for the establishment and initial development of the ILT
- active encouragement of institutions to develop and implement learning and teaching strategies
- working in partnership with the Quality Assurance Agency (QAA) for HE, to develop and implement effective new arrangements for HE quality assurance.

Outcomes

- Good practice and developments in learning and teaching are disseminated and embedded; research and innovation in learning and teaching are supported.
- Coherence in national support and funding programmes through more co-ordination of effort and collaboration between agencies.
- More institutions develop and implement learning and teaching strategies.
- The successful establishment of the ILT.
- An effective quality assurance framework for reviewing HE quality and standards.
- Expansion of student numbers delivered within planned targets and resources.

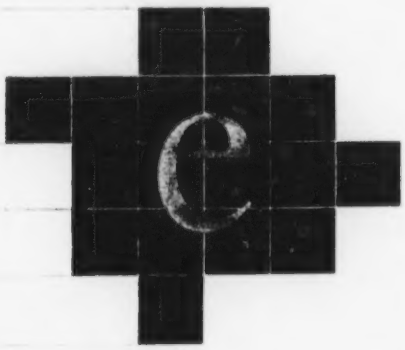
Commitments

- A single co-ordination unit to manage TQEF initiatives.
- Continued successful allocation of funds (up to £30 million a year) to the TQEF from 1999-2000 for at least three consecutive years.
- During 2000 announce decisions on institutional proposals related to learning and teaching strategies.
- Allocate funds to enhance the quality of HE provision in FECs in 2000.
- Support the start-up of the ILT over the first five years.
- Work with the QAA and the other UK funding bodies to trial and implement the new quality assurance framework.
- Identify a means of ensuring that institutions have in place procedures for dealing with student complaints.

Key performance targets

- New quality assurance framework operational in England from 2002.
- Student numbers in 2000-01 to be within 2 per cent of the Secretary of State's target.

Funding high quality, cost effective teaching and research



Strategic aim

Promote high standards of research so as to advance knowledge and scholarship and encourage improvement, enterprise and innovation.

Our aim is to promote the long-term vitality of the research base. We therefore provide a framework for institutions to develop a high-quality research capability. This includes providing opportunities for collaboration, young researchers, and research into emerging areas. Through investment in the research base we also seek to encourage the enhancement of other educational outputs. We must have a continuing appreciation of the main drivers for improved performance in research. And we will encourage an environment in which the dissemination of best practice can be supported and embedded.

We also aim to promote effective partnerships between researchers, educators, institutions, employers, and sponsors of research.

The recent reaffirmation of the dual support system for public funding of research, by the Government and others, is welcomed. We will continue to provide the majority of our research funding as a block grant. In this way we will support institutional autonomy and diversity, allowing institutions themselves to determine the scope and direction of their research activities.

We will continue to promote research by rewarding quality through the selective allocation of funding in a clear and transparent way. We will continue to provide special funding, for further investment in the research infrastructure, to institutions that can demonstrate high performance and added value.

Outcomes

- Improved quality of research submitted to the Research Assessment Exercise (RAE) 2001 compared with 1996.
- Improved volume and quality of collaborative research.
- Improved infrastructure to meet expanding research needs.
- Improved provision of electronic information resources.

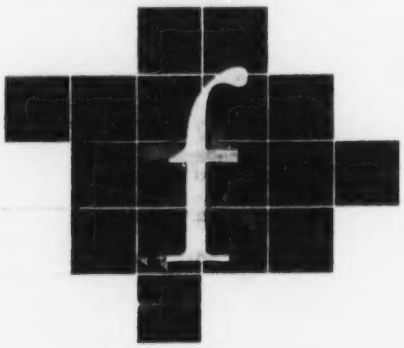
Commitments

- A review of the operations of the Arts and Humanities Research Board in 2000-01 with a view to ensuring that we meet the future needs of the arts and humanities community.
- A fundamental review of the Council's research policy and funding, to be completed by 2002.
- Efficient and effective running of RAE 2001, to support the subsequent selective allocation of funding.
- Conduct follow-up bibliometric analysis of submissions to RAE 2001 and publish results in 2002-03.
- Agree concordat with the Research Councils and other major funders to determine the respective responsibility for research funding, to be published in 2001.
- Use special funding throughout the planning period, where appropriate, to generate new opportunities for strategic partnerships to enhance the research base.
- Review special funding for collaborative research (CollR) and publish results in summer 2000.
- Continue to review and provide for an enhanced Joint Academic Network (JANET).
- Continue to develop the Distributed National Electronic Resource (DNER) and review the community's need for further collections of electronically stored information at JISC-funded centres.
- Review the operation of the electronic site licence programme to ensure that it continues to provide cheaper and easier access to professional journals for researchers and students.

Key performance targets

- An improvement on average between RAE 2001 and the previous exercise in 1996.
- An increase in staff in units rated 5* in the RAE in 2001.
- Improve electronic network provision to research users by enhancing the JANET backbone by 300 per cent by 2001.

Funding high quality, cost effective teaching and research



Strategic aim

Use consultation, research and benchmarking to increase knowledge and understanding of higher education, and inform policy development.

We undertake research and development, both in-house and through commissioned work, for several reasons:

- to inform ourselves and the sector about trends and developments in HE
- to help develop Council policy
- to assist in monitoring and evaluating Council policy.

All significant developments in our policy and practice should be rooted in consultation, and in structured, thorough analysis of the options to achieve desired ends.

Wherever significant new policies are implemented, we will evaluate what these achieve, to satisfy ourselves that we secured the desired outcome and to ensure that we learn from experience.

We will maintain and improve our record on dissemination, looking at the best way to ensure that research findings and examples of best practice reach, and are used by, the relevant practitioners in HEIs.

In carrying out research and development projects we will collaborate with and draw upon the expertise of other stakeholders. We will carry forward work on benchmarking in collaboration with the Committee of Vice-Chancellors and Principals (CVCP) and others.

Outcomes

- Institutions are better informed about their performance relative to that of others.
- Better informed policy decisions.

Commitments

- Develop the second tranche of performance indicators in 2000.
- Place our research and development programme on the internet in 2000, and conduct and commission research and development studies to inform policy development.

Key performance targets

- In 2000-01 to publish the second tranche of performance indicators.

Funding high quality, cost effective teaching and research

Strategic aim

Promote effective financial management, accountability for the use of public funds, and value for money.

HEIs are independent institutions responsible for managing their own affairs effectively and efficiently. We are responsible for ensuring that funds provided for teaching and research are only used for those purposes, while promoting value for money. We set out conditions for the use of grants in a financial memorandum and an audit code of practice. We monitor these conditions through financial and statistical surveys and audit visits.

We work in partnership with the sector and individual institutions to help the sector help itself. We develop guidance and self-assessment tools, and provide information so that HEIs can benchmark their own performance against others and prioritise their efforts to improve. The objective is to help HEIs make the best use of their available resources.

Both HEIs and the HEFCE are accountable to a range of stakeholders. We therefore need transparent and open governance arrangements, published information on matters important to stakeholders, and reliable audit mechanisms. A condition of the 1998 comprehensive spending review was the implementation of a consistent and transparent research costing methodology. We will work with SHEFC, HEFCW, OST, DfEE and the Research Councils to meet this requirement.

We will work with the sector to ensure that, through these processes, stakeholder confidence is maintained and enhanced.

Outcomes

- An increase in the number of HEIs with effective strategic planning processes, producing plans that are actively used to manage the institution.
- Institutions have effective financial management, based on sound financial strategies.
- Wider adoption of best practice in management.
- Improved strategic management of information resources.
- Improvement in the overall condition of the sector's estate.
- Improved HEFCE accountability for public funds.
- Improved management information for decision making.
- Improved co-operative procurement arrangements across the sector.
- Effective equal opportunities policies and procedures within HEIs.

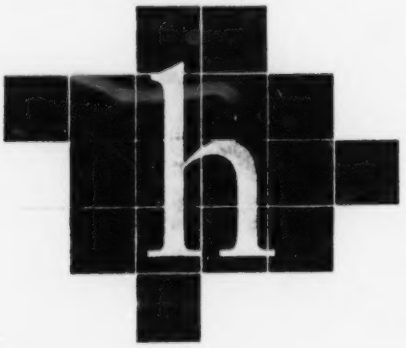
Commitments

- All institutions will have developed financial strategies, as part of their planning processes, by 2004.
- All institutions will have carried out self-assessment of their financial management practices and will be acting on the outcomes of that process by 2004.
- A three-year cycle of Council audit reviews.
- Identification and dissemination of good management practice through the Fund for the Development of Good Management Practice.
- Development, dissemination and promotion of value for money studies, good practice guides, self-assessment tools and case studies throughout the planning period.
- Monitoring of how HEIs apply these tools throughout the planning period.
- Implementation of the initiative to improve poor estates.
- Development of estates management statistics.
- Meeting reporting timetable for transparency review of research funding.
- Working with HEIs to improve co-operative procurement.
- Creation of an equal opportunities unit to help the sector deliver improvements in equal opportunities monitoring and performance.
- Implementation of the initiative to improve poor estates.
- Development of estates management statistics.

Key performance targets

- By 2004, 75 per cent of all the sector's estate will be classified as A or B (as new or sound, or only minor deterioration).
- Development throughout the sector of a guidance manual to assist with consistent and transparent costing methodology, by summer 2000.
- Initial reporting on total costs for teaching, research and other activities in aggregate for the sector, by summer 2001.
- Improved co-operative procurement arrangements to be in place by 2003.
- All HEIs have comprehensive equal opportunities policies and monitoring procedures in place by 2002.

Funding high quality, cost effective teaching and research



Strategic aim

Contribute to the healthy development of higher education in this country and overseas by learning from international experience, and helping to promote the reputation of UK higher education abroad.

As a national body, representing a major interest in higher education in England and the UK, the Council will undertake to serve the interests of higher education internationally.

We undertake international collaboration and development work for several reasons:

- to increase our understanding of international developments by learning from the experience of overseas providers and funders
- to influence the development of international collaboration and policies that could benefit UK higher education, by participating in research, development, collaborative and other relevant activities
- to promote the achievements and qualities of the UK higher education sector by providing the same objective information overseas as we do in the UK
- to make international comparisons as much as possible with UK HE performance.

In all these areas we will carry out our work in the spirit of co-operation and collaboration with our national and international partners.

Outcomes

- Better informed policy decisions, informed by international developments.
- An increased contribution to the internationalisation of UK higher education.
- An increased contribution to improving the UK HE sector's standing and esteem abroad.

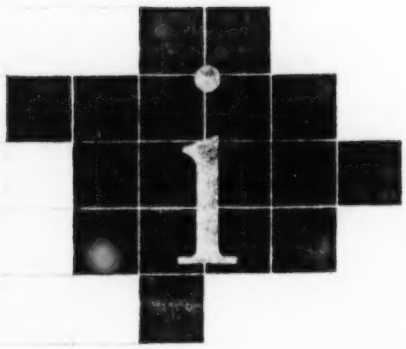
Commitments

- In collaboration with other UK and international organisations, conduct and commission research and development projects taking account of international practice and experience.
- Through our funding policies provide support to targeted initiatives that contribute to a greater internationalisation, including in the EU, of UK higher education.
- Continue to discuss with other national partners ways that we can increase the UK's current market share of overseas students from outside the EU.
- Receive overseas visitors and provide appropriate information on the achievements and qualities of UK HE.
- Undertake and encourage joint collaborative activities and participate in other relevant international events and activities.
- Encourage institutions to include an international dimension in their strategic planning.

Key performance targets

- Establish six collaborative programmes in strategic countries involving ourselves and other appropriate national partners, by 2004.

Diversity



Strategic aim

Encourage institutions to increase access, secure equal opportunities, support lifelong learning, and maximise achievement for all who can benefit from higher education.

We are promoting wider participation in HE and lifelong learning through policies and activities, such as our teaching funding method, the allocation of student numbers, and special funding programmes.

We will support and encourage universities and colleges in working to make higher education more accessible and socially inclusive, and we will continue to monitor the provision by institutions for students with disabilities. We will support institutions' efforts to improve student retention and achievement through our funding methods and by encouraging and disseminating good practice.

We will encourage and enable institutions to develop and deliver flexible provision to meet the needs of lifelong learners. We will help institutions to deliver the Government's National Education and Training Targets for lifelong learning.

Outcomes

- The HE student body is more representative of the population.
- Higher levels of student retention and achievement.
- Institutions increasingly collaborate to share and promote good practice in widening participation.

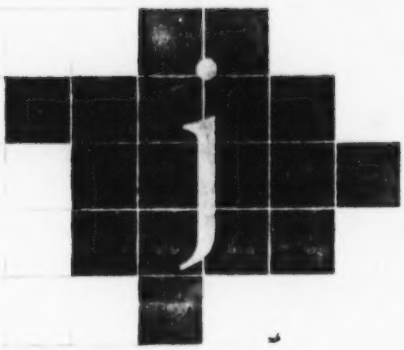
Commitments

- Our funding method will provide incentives to reflect and reward improvements in participation by under-represented groups of students.
- Encourage institutions to have strategies and targets to increase the number of students from under-represented groups in HE, and implement strategies to meet the targets.
- Refine and develop our analysis of data on access/participation, and on non-completion, to provide all HEIs with robust and reliable data on their performance and comparisons with sector averages.
- Continue to develop partnerships and networks in each region through which HEIs collaborate to widen access and participation.
- Encourage part-time and HE certificate and diploma level provision, through the allocation of additional student numbers.
- Develop, through our funding method, options for franchising and collaboration between HEIs and FECs.
- Allocate additional student numbers effectively within HEFCE programmes to incorporate HE in FECs.
- From 2000-01 onwards, to support student places for the University for Industry (Ufl).
- Provide information about progression and non-completion, to encourage institutions to establish processes to improve retention.

Key performance targets

- Participation by socio-economic groups currently under-represented in HE rises faster than growth in overall numbers between 1999 and 2004.
- Effective incorporation of FECs providing HE within our funding and quality assurance methods.

Diversity



Strategic aim

Maintain and encourage the development of a wide variety of institutions, with a diversity of missions that build upon their local, regional, national and international strengths and are responsive to change, within a financially healthy sector.

Institutions have primary responsibility for determining their own mission, including their relative focus on meeting local, regional, national or international needs. We are committed to supporting institutional diversity. Our aspiration is to secure the development of a range of institutions and a diversity of provision, so that in every area those able to benefit from higher education have access to suitable, high-quality courses.

Our funding method recognises costs associated with small and specialist institutions and particular groups of students. We are also developing funding relationships with a wider range of FE colleges. The financial health of the sector depends partly on the wider economy, but also on good management by institutions themselves. To help ensure that the sector remains financially healthy, we undertake regular financial monitoring and selective interventions, and promote good practice.

Outcomes

- A diverse sector is sustained partly by recognising warranted cost differences without compromising the principle of comparable funding for comparable activity.
- Fewer HEIs where additional financial monitoring is required owing to financial health problems. There are procedures for identifying institutions in financial difficulties at an early stage, and for taking rapid and effective action to resolve their difficulties.
- Relevant regional bodies have greater understanding of how HE can help to meet regional needs.
- Expanded demand for HE programmes, both in the UK and overseas, created and satisfied by the e-University.

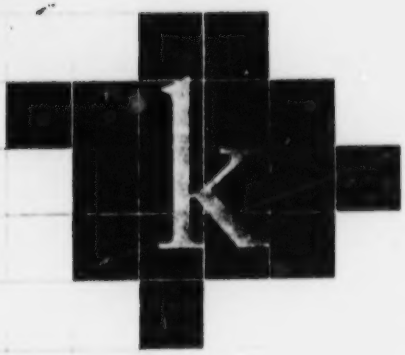
Commitments

- The development of an 'e-University' – a new vehicle for delivering higher education programmes through virtual distance learning.
- In 2000, to develop a statement of the Council's policy in sustaining and encouraging diversity in HE.
- Each year to evaluate the financial health of all HE institutions.
- During 2000-01, to continue to determine the principles and priorities for the Council's contribution to regional needs.
- Support the further development of the regional consortia of HEIs.
- Work with the Regional Development Agencies to encourage higher education institutions to help implement the RDAs' regional economic strategies and increase their contribution to regional economic development.

Key performance targets

- Within eight weeks of an institution being identified as in immediate financial difficulties, to identify the problems and to agree the necessary action.

HEFCE



Organisational aim

Enable our staff to provide a high-quality service, within an open and supportive working environment.

We recognise that the quality of the service we provide to our stakeholders depends upon a well equipped, motivated and well supported workforce. We want to be counted among the best, practising what we preach by following good management practices and always seeking to improve.

We are committed to maintaining the Investors in People (IIP) standard, a mark of good communication and staff development practices. We will start to measure ourselves against the internationally recognised Excellence Model. And to reinforce our commitment to building a flexible organisation responsive to stakeholders, we will implement our knowledge management strategy, creating a culture of sharing and applying knowledge.

Outcomes

- An increasingly effective service to institutions and other stakeholders in all the main areas of our work, supported by improved standards of internal service.
- More cross-Council working and knowledge sharing.

Commitments

- Implement improvements to policies, staff development opportunities (including secondments to and from the sector) and working conditions indicated by the staff attitude survey, and use the survey as a means of monitoring these improvements.
- Implement a business improvement plan, to manage continuous improvement.
- Continue to implement a knowledge management strategy and action plan.
- Assess ourselves against the Excellence Model, and implement action plans for continuous improvement.
- Use surveys of stakeholders to assess the quality of service being provided, and act on the results.
- Meet the Government's 'information age' targets.

Key performance targets

- To be among the top 20 per cent of public sector organisations, as measured by the Excellence Model, by 2004.
- All profiled grant payments paid in accordance with our published payments schedule, to 100 per cent accuracy over the planning period.
- Ninety-eight per cent of payments to suppliers to be within 30 days' receipt of a valid invoice.

Appendix A

Financial and resource information

Council administrative costs

(£ million)

Financial year	1999-2000	2000-01	2001-02
HEFCE running costs	11.6	11.5	13.3

Publicly planned HEFCE sector funding

(£ million)

Financial year	1999-2000	2000-01	2001-02
1998-99 HEFCE grant	4,010	-	-
CSR outcome HEFCE grant	-	4,163	4,309
Public contributions to fees	517	435	409
Private contributions to fees	236	336	389
Capital grants			
for infrastructure and IT	35	50	100
for research	50	100	150
Measures to widen access	81	90	106
Total	**4,929**	**5,174**	**5,463**
Student numbers (FTEs in thousands)	985	1,006	1,026

Appendix B

Progress towards key performance targets (KPTs) published in HEFCE's 1999-2004 strategic plan

Strategic aim	1999-2000 KPT	Progress to 31 March 2000
a. Develop and sustain effective partnerships with institutions, employers, other funding and professional bodies, and others with a stake in higher education, by providing clear and open information and promoting collaboration between them.	Through the customer satisfaction surveys, to show that we are increasingly perceived as working in partnership, providing an effective service, and responding appropriately to complaints. The increase will be measured against a benchmark established in 1999-2000.	Qualitative survey completed December 1999. Quantitative survey January and February 2000. Benchmark established end of May 2000.
b. Advise Government and other stakeholders on higher education's needs and aspirations, and help make widely known the achievements and opportunities offered by higher education, particularly to students.	By 2001 to develop significantly the information services provided by the main sites on the HERO internet portal.	Shell company HERO Ltd established February 2000 and operator appointed March 2000. Service to be launched October 2000.
c. Promote and support productive interaction between HE and industry and commerce in order to encourage the transfer of knowledge and expertise and enhance the relevance of programmes of teaching and research to the needs of employers and the economy.	Eighty-five per cent of HEIs have a strategy for building their capability to develop links with industry, and an initial action plan to deliver this, by October 1999.	Achieved.
	The majority of institutions to include within their 1999-2000 learning and teaching strategies new schemes for enhancing the employability of their graduates.	Achieved: preliminary analysis of a sample of institutional learning and teaching strategies indicates that the majority of HEIs have included a commitment to promote the employability of graduates.
	Use existing data sources to produce performance indicators for measuring student employability outcomes, to be published in 2000.	Postponed: awaiting decision from the DfEE.

Appendix B continued

Progress towards key performance targets (KPTs) published in HEFCE's 1999-2004 strategic plan

Strategic aim	1999-2000 KPT	Progress to 31 March 2000
d. Promote high standards of education so as to advance knowledge and scholarship, encourage improvement, enterprise and innovation, and enhance students' learning experiences and employment prospects.	New quality assurance framework operational in England from 2002.	QAA has now published its findings on reporting formats. The Agency is currently consulting with subject communities and other stakeholders about a further 16 draft subject benchmark statements. It has commenced piloting the new framework in eight HEIs and one FEC, and will present an interim report to the funding bodies at the end of March 2000.
	Student numbers in 1999-2000 to be within 2 per cent of the Secretary of State's target.	Achieved: 1999-2000 MaSN within 0.5 per cent of target.
e. Promote high standards of research so as to advance knowledge and scholarship and encourage improvement, enterprise and innovation.	An improvement on average between the 2001 RAE and the previous exercise in 1996.	Changes for RAE 2001 have been well received as providing an appropriate basis for assessment including for both multi-disciplinary and applicable research.
	An increase in staff in units rated 5* in the RAE in 2001.	There is every indication that this target will be met.
	Improve electronic network provision to research users by enhancing JANET backbone by 20 per cent and international bandwidth by 100 per cent by 2004.	Achieved: plans have been revised to upgrade the backbone's capacity by at least 300 per cent by 2001. International bandwidth has been increased by 350 per cent in 1999-2000.

Appendix B continued

Progress towards key performance targets (KPTs) published in HEFCE's 1999-2004 strategic plan

Strategic aim	1999-2000 KPT	Progress to 31 March 2000
f. Use consultation, research and benchmarking to increase knowledge and understanding of higher education, and inform policy development.	By March 2000 to publish a broad range of performance indicators.	Achieved: first performance indicators published in November 1999.
g. Promote effective financial management, accountability for the use of public funds, and value for money.	By 2004, 75 per cent of all the sector's estate will be classified as A or B (as new or sound, or only minor deterioration).	Round three awards made for poor estates initiative. Analysis of sector statistics to determine movement towards target to be completed in June 2000.
	Development and implementation throughout the sector of a consistent and transparent costing methodology.	Transparency review report published on 5 July 1999. Implementation plan agreed by JCPSG. Seminars were held in October and November 1999 as part of implementation. Guidance manual issued in draft form in October 1999.
h. Contribute to the healthy development of higher education in this country and overseas by learning from international experience, and helping to promote the reputation of UK higher education abroad.	Establish six collaborative programmes in strategic countries involving ourselves and other appropriate national partners, by the end of the planning period.	Programmes with five countries under development.
i Encourage institutions to increase access, secure equal opportunities, support lifelong learning, and maximise achievement for all who can benefit from higher education.	Participation by socio-economic groups currently under-represented in HE rises faster than growth in overall numbers.	Special funding programme launched in May 1999 for funding from autumn 1999-2000 to 2001-02. Joint initiative with FEFC established for 1999-2000. Appointment of new co-ordination team to support projects to widen participation in HE by students from socio-economic groups currently under-represented in HE.

Appendix B continued

Progress towards key performance targets (KPTs) published in HEFCE's 1999-2004 strategic plan

Strategic aim	1999-2000 KPT	Progress to 31 March 2000
	Effective incorporation of FECs providing HE within our funding and quality assurance methods.	Responses to consultation on code of practice on consortia have been received, and have been analysed. These were fed into the consortia seminars held in March 2000. Discussions with colleges continue. The Quality Assurance Committee's advice is being sought on the proposal for assuring HE in FE colleges from September 2000.
	Provide information about progression and non-completion, and establish a premium, through the funding method for teaching, to encourage institutions to establish processes to improve retention.	Information on progression and non-completion provided to HEIs. Additional funding for PT and FT students from disadvantaged areas included in teaching funding allocations for 1999-2000. New co-ordination team commissioned to identify and promote good practice in institutional retention strategies.
j. Maintain and encourage the development of a wide variety of institutions, with a diversity of missions that build upon their local, regional, national and international strengths and are responsive to change, within a financially healthy sector.	Within eight weeks of an institution being identified as in immediate financial difficulties, to identify the problems and to agree the necessary action.	Achieved.
	A collaborative network of HEIs to be established in each region by the end of 1999 with HEFCE financial support.	Achieved: all nine networks have now been formally approved.

Appendix B continued

Progress towards key performance targets (KPTs) published in HEFCE's 1999-2004 strategic plan

Organisational aim	1999-2000 KPT	Progress to 31 March 2000
k. Enable our staff to provide a high-quality service, within an open and supportive working environment.	Maintain the IIP standard.	Achieved: external reassessment successfully completed in August 1999 and IIP standard maintained. Managing continuous improvement planning now in progress in the light of the Excellence Model self-assessment.
	To be among the top 20 per cent of public sector organisations as measured by the Excellence Model.	Three members of staff are trained licensed assessors. A strategy has been agreed and an action has been developed. Initial benchmarking is planned for June and July 2000.
	All profiled grant payments paid in accordance with our published payments schedule, to 100 per cent accuracy over the planning period.	Achieved.

Appendix C

Glossary

Audit Code of Practice	The code describes our minimum audit requirements and those that we consider to be good practice or worthy of consideration
CollR	Collaborative research funding – special funding intended to develop research potential, particularly through encouraging collaboration
CSR	Comprehensive spending review
CVCP	Committee of Vice-Chancellors and Principals
DTI	Department of Trade and Industry
DfEE	Department for Education and Employment
DNER	Distributed National Electronic Resource
Excellence Model	An internationally recognised framework for high-quality management practices
FE	Further education
FEC	Further education college
FT	Full-time
FTE	Full-time equivalent
Financial Memorandum	The memorandum sets out the terms and conditions for the payment by the HEFCE of funds to the governing body of an institution, out of funds made available by the Secretary of State for Education and Employment
HE	Higher education
HEFCE	Higher Education Funding Council for England
HEFCW	Higher Education Funding Council for Wales
HEI	Higher education institution
Help-desk	A central point for external enquiries about the work of the HEFCE and general questions about higher education
HERO	Higher Education and Research Opportunities – an internet portal for a range of users wishing to find information on opportunities and contacts within HE
IIP	Investors in People
ILT	Institute of Learning and Teaching
IT	Information technology
JANET	Joint Academic Network – a UK-wide computer network which connects all HEIs and Research Council sites and about 100 FECs
JISC	Joint Information Systems Committee
KPT	Key performance target
MaSN	Maximum student number
OST	Office of Science and Technology

PT	Part-time
Poor estates initiative	HEFCE special funding initiative running from 1998-2003 which aims to improve the condition of academic buildings
QAA	Quality Assurance Agency for Higher Education
RAE	Research Assessment Exercise – an exercise carried out periodically to determine the quality of research in UK HEIs
Restructuring and Collaboration Fund	An HEFCE fund to support strategic restructuring and institutional collaboration that improves the sector's capacity to deliver high-quality education and research
SHEFC	Scottish Higher Education Funding Council
Special initiatives	Special initiatives are HEFCE funds for specific activities for a limited period not linked to formula funding allocations
Subject centres	A network of one-stop shops covering all aspects of learning and teaching, for all disciplines across the UK, to identify and share innovation and good practice in learning and teaching
TQEF	Teaching Quality Enhancement Fund
Ufi	University for Industry

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